

## Rural Digital Opportunity Fund Program Overview

### Program Goals:

- Consistent with 47 U.S.C. § 151, to make broadband available to the largest number of unserved rural Americans and to drive next generation terrestrial broadband infrastructure deeper into rural America, which will spur future 5G deployments.

### Auction Overview

- Program Format: Use a competitive, technology-neutral, reverse auction to provide support to eligible locations.
- Budget: \$2.04B/year.
- Funding Term: 10 years.
- Eligible Locations:
  - All locations in rural areas that are shown to lack the target speed (25/3) are eligible for funding, irrespective of cost model estimates. Analysis shows that more than 2 million locations in rural census blocks not eligible for the Connect America Fund still lack broadband at 25/3 speeds.
  - The Broadband Mapping Initiative will allow the FCC to determine the service status of all locations and thus accurately identify how many locations still lack robust broadband. This Initiative is critical for RDOF because it will create an authoritative, agreed upon count of unserved locations per Census Block which will in turn:
    - Ensure \$20B is targeted to the areas that truly need support.
    - Enhance auction efficiency and fairness and thus attract more participants.
    - Eliminate the need for a separate back-end process when the estimated location counts do not match the actual number of locations.
    - Incorporate a challenge process in the form of a crowdsourced feedback process.
- Funding Mechanism
  - The FCC should apply a per-location cap, not a model-based reserve price.
  - Auction: A census block group (CBG) is the minimum bidding unit with obligation to serve all eligible locations within the CBG.
- Service Standards:
  - Voice remains the supported service.
  - The baseline speed of service is 25 Mbps download/3 Mbps upload.
    - FCC may want to add in a bonus weight for locations lacking 10/1 speeds.
  - The maximum latency is 100ms.
  - The FCC should seek comment on weighting and the benefits of tiers based upon its CAF 2 Auction experience.

Transitions:

- It is critical for the FCC to determine how it will support transitions between high-cost ETCs in advance of the auction. For example what happens in:
  - CAF 2 model census blocks where 10/1 broadband was deployed but locations are won by a new ETC? Who has the voice obligation and when?
  - CAF 2 model census blocks where broadband has been deployed but the census blocks are not won in the auction?
  - CAF 2 model census blocks in which no broadband was deployed that is won by a new ETC?

Remainders

- The auction will produce additional remainder locations. The FCC should determine in advance of the auction how these locations will be supported in the future.